



Automotive Quarterly M&A Newsletter

Q2 2021

Automotive Supply Chain (1/3)

Supply Chain Disruptions Resulting in Reduced Car Production

The automotive industry, which was ramping up production to meet pent-up demand, faced strong headwinds in the first half of the year due to various supply chain constraints. These supply issues hurt U.S. auto manufacturing, with GM, Ford, and other OEMs temporarily closing plants or reducing production. Consequently, auto parts manufacturers that feed their supplies to these plants also saw their order books being impacted. With new car output being hampered, inventories at dealerships reached historic lows. Strong demand for new cars led to higher average prices and consumers flocking to used car lots, pushing prices to unprecedented levels. In this newsletter, we take a closer look at what caused the disruptions in the auto supply chain, how these factors will impact the market over the following months, and how these dynamics impact M&A transactions.

Factors Causing Supply Chain Disruptions

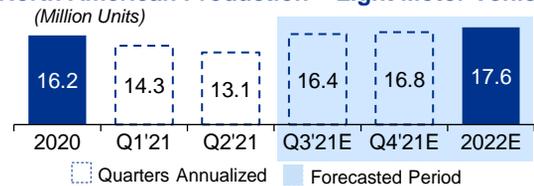
➤ Semiconductor Shortage

As cars are turning into “supercomputers-on-wheels,” there has been a robust increase in the content of semiconductors in vehicles. At present, cars can have over 100 microchips on board, making supply continuity critical for the auto industry.

The automotive industry, accounting for just 10% of the global semiconductor sales, was hit the hardest by the chip shortage. According to KPMG estimates⁽¹⁾, the auto industry will suffer ~80% of the \$125 billion in lost sales across all industries. As auto manufacturers trimmed their orders for semiconductor chips ahead of the COVID-19 lockdowns, chipmakers allocated more capacity to high-margin sectors that benefitted from the work-from-home environment, such as the computer and smartphone industries. The silicon shortage was further exacerbated by unusual events in Q1’21, such as the plant fire at Japanese auto chipmaker Renesas and the fierce winter storm in Texas, a semiconductor manufacturing hub in the U.S. As auto manufacturers were looking to ramp up production to meet a faster-than-expected rebound in post-lockdown demand, they had to plan for production downtime at the beginning of 2021. Large auto suppliers, such as Bosch and Continental, which source chips to produce electronic components to control airbags, braking systems, and dashboard displays, are facing the brunt of the shortage and are unable to fill orders from OEMs.

As chipmakers strive to keep up with the demand and auto players seek to address supply tightness, decision-makers in both industries are rethinking short and long-term strategies to address supply chain issues effectively. According to IHS Markit, as the semiconductor bottleneck eases, North American auto production is expected to gain strength by the latter half of the year or early 2022.

North American Production – Light Motor Vehicles⁽²⁾



As an immediate response, the semiconductor manufacturers are expanding output by significantly increasing their fabrication capacity utilization. Furthermore, OEMs and Tier 1 suppliers are building direct contracting relationships with chip suppliers to minimize the impact of such disruptions in the future. Auto players are entering into long-term agreements (LTA), direct collaborations, and partnerships with semiconductor manufacturers to improve order visibility and secure supply. For instance, in May 2021, Volkswagen signed LTAs with Taiwan Semiconductor Manufacturing Corp. (TSMC) and Infineon. General Motors, Toyota, Daimler, and Continental are also considering multi-year contracts with chip suppliers. In May 2021, Tesla, initially exploring acquiring a chip facility, is now set to pay in advance to secure its new generation automotive chips.

To address the issue in the medium to long-term, chipmakers are expanding total global capacity by building new fabrication plants to capitalize on the huge market potential for high-margin, advanced auto chips driven by autonomous driving and electrification trends. Amid the auto chip shortage, TSMC, the largest semiconductor producer globally, has recently upped its investment plans in its U.S. manufacturing facility to \$35 billion, almost tripling the initial commitment of \$12 billion. Several Korean companies are planning large investments in chip production in the U.S. For instance, early this year, Samsung announced its plans for a new \$17 billion chip plant. Additionally, Bosch opened a \$1.2 billion semiconductor factory in eastern Germany in June 2021 to reduce dependency on automotive microchip suppliers.

Separately, the Biden Administration has stepped in to boost domestic microchip production by dedicating over \$50 billion toward financial incentives in the form of tax credits. Following the White House CEO summit on the semiconductor shortage in April 2021, PC chipmaker Intel announced that it would soon start producing in-demand automotive semiconductors at its facilities to fill the chip shortage that has held up the production of new cars.

©2021 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Factors Causing Supply Chain Disruptions (Contd.)

➤ Soaring Steel Prices

Global steel prices are at an all-time high due to rising iron ore prices and a supply-demand mismatch. While the steel mills took time to resume operations, steel witnessed a drastic resurgence in demand after COVID-19-related lockdowns were lifted. To satisfy demand, steel-consuming companies are buying the commodity at elevated prices, passing on the increased input costs to its customers. The automotive sector is among the worst-hit as steel makes up roughly 60-70% of the average vehicle.

The steel shortage is further exacerbated by elevated domestic steel prices, which are nearly 70% above the global market price. The price gap continues to push U.S. manufacturers to import steel from overseas, despite the 25%+ import tariffs imposed by the Trump administration in 2018 and additional shipping costs. Industry experts expect the steel price rally to lose steam in the latter half of the year as supply and demand reach a healthier equilibrium. Supply is expected to grow more quickly than demand in H2'21 as steel mills add capacity and imports gradually reach U.S. shores.

Steel Prices – Domestic Hot Rolled Coil (\$ Per Short Ton)⁽³⁾
(quarter end closing prices)



➤ Container Shortage and Congested Ports

A sudden spike in trade, a result of lifting restrictions globally, led to a dramatic increase in shipping and transportation costs since the beginning of the year. The rise in freight cost is primarily due to the lack of containers to import supplies from Asia. Imbalanced import/export ratios due to a patchy global economic recovery resulted in an uneven distribution of containers.

China, which recovered first from the COVID-19 impact, started opening trade routes but then faced challenges in bringing empty containers back from western countries still under lockdowns. Additionally, a significant increase in trade volumes is choking up shipping terminals and leading to congested sea routes, shipping delays, and stockpiling at ports. For instance, the Port of Los Angeles, one of the largest ports in the U.S., is witnessing massive container ship traffic jams. Congestion at ports is also partially due to a shortage of dock workers amid COVID-19 outbreak fears. With all these factors combined, the North American automakers and suppliers are facing difficulties in sourcing necessary raw materials and components, such as rubber, plastics, chips, and seating foam, from Asian countries. The container shortages and slow circulation of cargo also contribute to the higher domestic steel prices mentioned above, limiting steel imports to the U.S. As a near-term relief, the industry is actively looking to augment capacity via additional containers. As of April 2021, Triton, a U.S.-based lessor of intermodal containers, had purchased \$2.6 billion of new containers for delivery in 2021. According to IHS Markit GTA Forecasting, the global pool of containers is forecasted to increase by 5.8% on a Y-o-Y basis in 2021, nearly double the projected annual increases from 2022 to 2025. Moreover, industry leaders expect further relief in 2022 as trade between countries normalizes.

Global Freight Rate Index – FBX (\$ per FEU)⁽⁴⁾



➤ Unfavorable Weather Conditions

The fragile automotive supply chain was further stressed in the first half of the year due to severe, unforeseen weather conditions. In February 2021, a freezing storm and cold spell rivetted Texas, shutting down various manufacturing facilities of OEMs and auto parts suppliers. The storm significantly affected the production of chemicals used in automotive components such as seats, brake linings, brake fluids, and coatings. Additionally, Taiwan, where according to IHS estimates, nearly 70% of automotive microcontroller units are produced, is going through its worst drought in over 50 years. With the Taiwanese government restricting water supply, chip manufacturers are competing with locals for water use to uphold production. It appears the effects of climate change are becoming more palpable, resulting in a potentially more severe upcoming hurricane season and more unpredictable, severe weather events generally.

Factors Causing Supply Chain Disruptions (Contd.)

➤ Labor Shortage

With the onset of COVID-19, auto manufacturers swiftly laid off workers to minimize the impact on their bottom-line operating margins. Production halts in H1'21 due to semiconductor shortage and adverse weather conditions further aggravated the situation. The economic recovery and fast-paced vaccine rollout fueled hiring sprees, resulting in job openings in the U.S. reaching an all-time high. However, companies are now facing difficulties filling these positions. Factors such as a preference for work-from-home jobs to reduce commuting time, hard-to-find safe and affordable child care amid COVID-19, and extended unemployment benefits and relief checks have made workers more selective when considering job opportunities.

However, as unemployment benefits run out and child care options improve, the industry expects more workers to return to the labor market. Also, President Biden seeks to revoke restrictive immigration policies introduced during the Trump administration, intended to increase the immigrant worker pool and thus take some pressure off the stressed U.S. labor market.

Avoiding the Next Supply Chain Disruption

After Covid-19 revealed the vulnerability of the automotive supply chain, the industry is now rethinking its operations and strategies. The semiconductor shortage that followed the COVID-19 lockdowns has prompted a structural shift away from the traditional J-I-T strategy, realizing the importance of "safety stock". Once a pioneer of J-I-T, Toyota was one of the few manufacturers able to circumvent the chip shortage. After the 2011 Japan earthquake severed Toyota's supply chains, the company prepared a business continuity plan that required suppliers to stockpile anywhere from two to six months' worth of chips, depending on the time from order to delivery. Other OEMs such as Ford and GM have been manufacturing cars without semiconductors to keep their plants up and running. The nearly finished vehicles are stored in lots until chip inventories are replenished.

To minimize the risk of any future supply chain disruptions, auto industry participants are coming together to resolve issues that pose a risk for the supply chain. In June 2021, an MOU was signed between carmakers (as represented by the Center for Automotive Research) and SEMI, an industry association for the electronics manufacturing and design supply chain. The MOU aims to better harmonize semiconductor and automotive supply chains through transparent dialogue between its members from both industries.

Also, initiatives focused on building supply chain resilience using data and analytics have started gaining popularity. For instance, five major OEMs and their individual networks of suppliers have united to form a community called "AutoSphere" – an alliance dedicated to sharing data and analytics to more efficiently move, track, and manage container and parts inventory between companies.

M&A Outlook

While the overall M&A market is thriving with many deals seeing record valuations, the development in the automotive industry is more differentiated across its subsectors. Transactions in the aftermarket space, which in many ways has benefitted from COVID-19-related consumer trends in 2020, are seeing high levels of interest and aggressive bids. Similarly, M&A appetite for companies with exposure to electric vehicles continues to be strong, although the SPAC transaction volume has leveled off since it peaked toward the end of last year. For automotive OEM suppliers, the last six months have been a somewhat challenging M&A period, but for very different reasons compared to the previous year. While demand for vehicles came roaring back in the second half of 2020, suppliers are confronted with many operational and supply-side challenges that negatively impact revenue and profitability goals. For companies preparing for a sale, that means facing critical questions from potential buyers in the diligence process. While investors recognize the unique circumstances impacting the current financial performance, differing views on how transient these circumstances are, persist. Earn-out structures may help overcome some of the gap, but potential sellers appear to be highly confident in substantial business improvements over the next 6 to 12 months. In a scenario where supply chain disruptions fade away, raw material prices peak or even revert back closer to historic levels, and pent-up demand for new vehicles will be fully unleashed once availability increases, 2022 may present the most favorable M&A environment for automotive OEM suppliers in recent years.

Automotive Industry M&A Synopsis and Key Takeaways

Landmark M&A Announcement

CentroMotion to Acquire Carlisle Brake & Friction, Creating a Leading Global Technology Player Focused on Mission-Critical Applications for Industrial and Transportation Markets

Enterprise Value (EV)
\$375 million

EV / Revenue
1.36x

EV / EBITDA
5.0x

On May 25, 2021, CentroMotion announced an agreement to acquire Carlisle Brake & Friction in a transaction with a total enterprise value of approximately \$375 million. The transaction will expand CentroMotion's portfolio of well-established brands in the industry, including CrossControl, Elliott Manufacturing, Gits Manufacturing, maximatecc, Power-Packer, and Weasler Engineering.

"As we became better acquainted with the CBF team, we found that they share CentroMotion's commitment to quality, continuous improvement, and a compelling customer value proposition differentiated by subject matter expertise, application knowledge, and leading technologies. Together, an integrated CBF and CentroMotion will serve as a holistic solutions provider to our joint customer base, with unparalleled breadth and depth of offerings across platforms and product lines." - Roger Roundhouse, Chief Executive Officer of CentroMotion

Key Takeaways

Facing a numerous supply chain issues, the auto industry may see conditions substantially improve in 2022

- The automotive industry, looking to overcome a difficult 2020, faced several roadblocks in the first two quarters of the year due to supply chain challenges
- A severe shortage in semiconductor supply adversely affected the production volumes in the auto industry
- Mounting headwinds from rising steel prices, container scarcity, labor shortage, and other seasonal factors posed additional challenges
- The ongoing supply chain constraints are expected to improve in the latter half of 2021 and early 2022
- 2022 may considerably improve M&A conditions for automotive OEM suppliers, once current challenges are overcome

Valuation Observations and Sector Performance

- The valuation multiples for auto parts suppliers have slightly increased over the previous quarter

At the end of Q2'21 the average EV / LTM EBITDA multiples were:

**NA Auto Parts
Manufacturers**

**12.5x
(0.6)x Q-o-Q**

KPMG Corporate Finance LLC



**Industrials Deal
of the Year 2019
(\$100m-\$1bn)**

- In the global mid-market segment, the Corporate Finance practices of KPMG International's member firms are the #1 M&A advisor with the most transactions over the last 5 years

Selected Public Automotive Parts Manufacturers

Company	HQ Country	Market Data				LTM Financials			Valuation Multiples - Enterprise Value To:		
		Market Cap (\$mm)	Enterprise Value (\$mm) ⁽¹⁾	Share Price ⁽²⁾	% 52 Wk High	Revenue	Revenue Growth	EBITDA % ⁽³⁾	LTM EBITDA ⁽³⁾	NTM Revenue	NTM EBITDA ⁽³⁾
North American Auto Parts Manufacturers											
Adient plc	IE	4,258	7,681	45.20	85.0%	12,890	(17.3%)	3.8%	15.5x	0.51x	6.5x
American Axle & Manufacturing Holdings	US	1,180	4,160	10.35	79.3%	4,792	(22.1%)	15.8%	5.5x	0.71x	4.2x
Aptiv PLC	IE	42,552	44,319	157.33	98.2%	13,863	(1.0%)	13.0%	24.6x	2.75x	17.4x
BorgWarner Inc.	US	11,642	14,158	48.54	87.4%	11,895	20.4%	15.1%	7.9x	0.92x	5.9x
Cooper-Standard Holdings Inc.	US	491	1,245	29.00	60.6%	2,390	(17.2%)	2.7%	19.0x	0.46x	5.7x
Dana Incorporated	US	3,449	5,919	23.76	83.5%	7,443	(11.2%)	7.8%	10.2x	0.65x	5.8x
Gentex Corporation	US	7,992	7,513	33.09	87.7%	1,718	19.4%	31.0%	14.1x	3.65x	10.8x
Gentherm Incorporated	US	2,353	2,272	71.05	86.7%	973	3.3%	15.8%	14.7x	2.09x	12.0x
Lear Corporation	US	10,541	12,169	175.28	85.5%	17,942	(6.1%)	7.2%	9.4x	0.57x	6.5x
Linamar Corporation	CA	4,107	4,357	62.76	84.5%	4,808	(13.5%)	16.5%	5.5x	0.74x	4.5x
Magna International Inc.	CA	27,931	30,814	92.64	91.1%	34,169	(8.9%)	10.1%	8.9x	0.74x	6.7x
Martinrea International Inc.	CA	847	1,597	10.55	80.3%	2,782	(5.7%)	9.0%	6.4x	0.49x	3.8x
Nexteer Automotive Group Limited	US	3,489	3,281	1.39	73.5%	3,032	(15.2%)	9.5%	11.4x	0.92x	6.1x
Stoneridge, Inc.	US	801	915	29.50	77.2%	659	(17.5%)	6.3%	22.1x	1.17x	14.9x
Tenneco Inc.	US	1,643	6,644	19.32	84.9%	16,274	(3.1%)	6.4%	6.4x	0.37x	4.7x
Visteon Corporation	US	3,382	3,539	120.94	82.0%	2,651	(7.0%)	7.1%	18.9x	1.15x	12.8x
North American Auto Parts Manufacturers Mean					83.0%	(6.4%)	11.1%	12.5x	1.12x	8.0x	
North American Auto Parts Manufacturers Median					84.7%	(7.9%)	9.2%	10.8x	0.74x	6.3x	

Sources: CapitalIQ and company filings.

All figures in USD, where applicable, converted at rates as of June 30, 2021.

- (1) Enterprise Value (EV) equals Market Capitalization plus Debt, Preferred Equity, and Minority Interest, minus Cash and Cash Equivalents as of closing price June 30, 2021.
- (2) Closing share prices as of June 30, 2021.
- (3) EBITDA equals Earnings before Interest Expense, Income Taxes, Depreciation and Amortization.

Select Automotive Parts Transaction History (1/2)

Date Closed	Target	Buyer	Enterprise Value (\$ mm)	EV / Revenue	EV / EBITDA
Pending	Carlisle Brake & Friction	CentroMotion	\$375.0	1.40x	5.0x
Pending	JJUAN	Brembo	\$84.7	1.17x	7.0x
Pending	Cooper Tire & Rubber Company	Goodyear Tire & Rubber	\$2,469.9	0.98x	6.3x
Pending	China XD Plastics Company	Faith Dawn Limited	\$854.5	0.59x	6.6x
Pending	Owari Precise Products	Precise Products Holdings	\$23.4	0.17x	11.4x
04/01/21	Jeco Co.	DENSO Corporation	\$34.1	0.14x	2.1x
01/11/21	Strands Group	Relais Group Oy	\$21.6	1.29x	9.7x
01/07/21	SBS Friction	Brembo	\$47.8	2.24x	10.2x
12/01/20	Korea Autoglass	KCC GLASS Corporation	\$176.4	0.45x	2.5x
10/15/20	Nissin Kogyo Co.	Honda Motor	\$974.1	0.56x	4.1x
10/15/20	Showa Corporation	Honda Motor	\$1,238.6	0.47x	3.5x
10/15/20	Keihin Corporation	Honda Motor	\$1,466.8	2.80x	3.7x
10/06/20	Renk Aktiengesellschaft	Triton	\$652.2	1.06x	9.8x
10/02/20	Delphi Technologies	BorgWarner	\$2,825.0	0.65x	8.1x
07/28/20	Le Belier	Guangdong Wencan Die Casting	\$257.9	0.87x	6.6x
07/03/20	Shaanxi Fast Woke Gear Co.	Qinchuan Machine Tool & Tool Group Share Co.	\$55.9	0.99x	5.2x
01/14/20	TRANSTECNO	Interpump Group	\$67.2	1.34x	6.9x
10/24/19	Nucap Europe	Arta Capital	\$111.2	1.96x	7.6x
10/11/19	Chassis Brakes International	Hitachi Automotive Systems	\$659.1	0.63x	11.8x
09/30/19	Tower International	Autokiniton US Holdings	\$853.1	0.54x	5.5x
08/01/19	Rototech	Quadrivio Group	\$33.4	0.50x	5.5x
04/10/19	Webasto Donghee Holdings	Webasto	\$184.4	0.47x	11.6x

Sources: CapitalIQ and press releases.

Select Automotive Parts Transaction History (2/2)

Date Closed	Target	Buyer	Enterprise Value (\$ mm)	EV / Revenue	EV / EBITDA
04/10/19	U-Shin	MinebeaMitsumi	\$545.6	0.42x	5.0x
03/01/19	TA Holdings Europe	Financiere SNOP Dunois	\$290.6	0.43x	5.4x
02/28/19	Drive Systems Segment of Oerlikon Group	Dana Incorporated	\$605.1	0.82x	7.7x
01/28/19	Global Auto Care Business of Spectrum Brands Holdings	Energizer Holdings	\$1,234.2	2.65x	10.6x
01/04/19	Agility Fuel Solutions	Hexagon Composites	\$248.4	1.58x	16.9x
12/10/18	Rassini	GGI INV SPV	\$411.0	0.45x	2.6x
10/01/18	Federal-Mogul LLC	Tenneco	\$5,400.0	0.69x	7.5x
09/12/18	Grakon	Methode Electronics	\$496.6	3.19x	13.1x
08/28/18	Grammer	Ningbo Jiye Investment	\$1,060.6	0.51x	7.9x
08/02/18	Reydel Automotive France	Samvardhana Motherson	\$105.0	0.10x	1.5x
04/19/18	GKN	Melrose	\$12,101.1	0.91x	8.1x
04/10/18	Wheel Pros	Clearlake Capital	\$405.0	NA	8.1x
12/14/17	Fuji Kiko	JTEKT Corporation	\$398.2	0.39x	3.8x
09/08/17	Autoclima	Indel B	\$37.0	1.08x	8.7x
07/21/17	Esmo Corporation	Rootone Consortium	\$65.5	0.95x	11.4x
04/06/17	Metaldyne Performance Group	American Axle & Manufacturing	\$3,166.5	1.04x	6.4x
03/31/17	FTE automotive	Valeo	\$916.3	1.62x	10.8x
03/23/17	Calsonic Kansei Corporation	KKR & Co.	\$3,014.0	0.33x	5.3x
11/18/16	Accuride	Crestview Partners	\$412.2	0.60x	11.9x
10/28/16	Carcoustics International	Liaoning Dare Industrial	\$262.6	0.81x	7.8x
08/31/16	Punch Powertrain NV	Ningbo Dongfang Yisheng Investment	\$1,228.7	3.42x	17.6x
Mean				0.94x	7.1x
Median				0.69x	7.0x

Sources: CapitalIQ and press releases.

Recent Automotive Parts Transactions (without multiples)

Date Closed	Target	Buyer	Enterprise Value (\$ mm)
06/30/21	AVID Technology Group	Turntide Technologies	-
Pending	Dayton Parts	Dorman Products	\$338.0
Pending	Beijing Daewon Asia Automobile Science & Technology/Jiangsu Daewon Asia Automobile Spring	Zhejiang Meili High Technology	-
06/14/21	Trazcor, Inc.	LCI Industries	-
05/31/21	E. Zimmermann GmbH	Johnson Electric Holdings	-
06/02/21	MONTIX	Br Group	-
Pending	KTT Kubinszky Tömitéstechnika	Axel Johnson International	-
Pending	Westfalia Presstechnik / Westfalia Metal Components	Otto Vollmann	-
Pending	Carlisle Brake & Friction	CentroMotion	\$375.0
05/21/21	Germaneers	Ayala Corporation	-
05/21/21	Nivel Parts & Manufacturing	Morgan Stanley Capital Partners	-
Pending	Shinki Intermobile	Hyundae Corporation	-
07/06/21	Rapid Machining Technologies	Menon Pistons	-
05/05/21	BF Industrial Solutions	Bharat Forge	-
04/15/21	Marshall Genuine Products	Bestop	-
Pending	JJUAN	Brembo	\$84.7
04/30/21	FINOBA AUTOMOTIVE	Hanomag Härtecenter	-
03/31/21	Acps Automotive France	JOUBERT Productions	-
04/19/21	Kaspar Ranch Hand Equipment	LCI Industries	-

Sources: CapitalIQ and press releases.

KPMG Corporate Finance

Leading Advisor to the Automotive Sector⁽¹⁾

Select Transactions



FINOBA AUTOMOTIVE
We treat parts

Deal Advisory

acted as exclusive financial advisor to the insolvency administrator of FINOBA Automotive GmbH on its sale to Hanomag Aluminium Solutions GmbH




KPMG Corporate Finance

acted as sole financial advisor to Unipoint to Victory Industrial Corporation





KPMG Corporate Finance

acted as buy-side financial advisor to Piston Group on the acquisition of Irvin Automotive Products from Takata




KPMG Corporate Finance

acted as financial advisor to VITEC, LLC in its sale to a confidential acquirer





KPMG Corporate Finance

acted as financial advisor to TriVero Group on raising acquisition financing for the purchase of BTM Company





KPMG Corporate Finance

acted as financial advisor to Comvest Partners in the sale of Chicago Miniature Lighting to AGM Automotive Partners




KPMG Corporate Finance

acted as financial advisor to Fleetwood Metal Industries on its sale to Milestone Partners




KPMG Corporate Finance

acted as financial and tax advisor to FinnvedenBulten AB on the disposal of Finnveden Metal Structures AB to Shiloh Industries

(1) Represents the Corporate Finance practices of KPMG International's network of independent member firms

Global Coverage. Industry Knowledge. Middle-Market Focus.

The Corporate Finance practices of KPMG International's network of independent member firms (KPMG) have been ranked collectively as a leading global mid-market advisor based on total deal volume, according to Thomson Reuters SDC. KPMG firms operate in 155 countries with over 2,600 investment banking professionals who are able to meet the needs of clients across the globe. With over 4,000 professionals, the global automotive sector and practices of KPMG International's network of independent member firms is one of the leading professional service providers for the automotive industry (KPMG). We have closed 89 automotive components and retail transactions over the last five years, sometimes under challenging circumstances and often involving buyers from around the globe. We have the resources and stamina to bring every transaction to a successful conclusion.

KPMG Corporate Finance LLC U.S. Automotive Investment Banking Team

	<p>Ford Phillips Managing Director Chicago T: 312-665-1537 E: frphillips@kpmg.com</p>		<p>Timm Kuechle Director Chicago T: 312-665-2344 E: timmkuechle@kpmg.com</p>		<p>James T Shontz Senior Associate New York T: 212-954-5849 E: jamesshontz@kpmg.com</p>
---	--	---	---	--	--

Important Disclosures

The information contained in this newsletter is of a general nature and is not intended to address the circumstances of any particular individual or entity including their investment objectives or financial needs. In preparing this newsletter, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act or rely on the information in this newsletter without appropriate professional advice after a thorough examination of the particular situation. The information contained in this newsletter does not constitute a recommendation, offer, or solicitation to buy, sell or hold any security of any issuer. Past performance does not guarantee future results.

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

End Notes

Sources:

- (1) KPMG report on Surviving the Silicon Storm (2021)
- (2) IHS Markit
- (3) Capital IQ
- (4) Freightos Baltic Index; Freightos